

Wyoming Insurance Department

Agency Strategic Plan

July 1, 2020- June 30, 2022



August 30, 2019

WYOMING DEPARTMENT OF INSURANCE
STRATEGIC PLAN
FY2021-2022

Wyoming Quality of Life Objectives

Wyoming residents have access to all types of insurance including health care.

Wyoming state government is a responsible steward of state assets and effectively responds to the needs of residents and guests.

Agency

Wyoming Department of Insurance

Contributions to Wyoming Quality of Life

The Department contributes to the Wyoming quality of life through a combination of educational outreach, regulation, examination, licensing, enforcement and oversight activities which protect and assist Wyoming citizens with regard to insurance issues and concerns.

Basic Department Facts

This agency has 26 employees. The 2019-2020 biennium administrative budget of the Department is \$6,247,184 which includes no state general funds. The 1,100+ insurance companies licensed in Wyoming are each assessed annually an equal amount which funds the Department's budget. The Department oversees the budgets of the Wyoming Health Insurance Pool (\$11,270,619 for the 2019-2020 biennium) and the Wyoming Small Employer Health Reinsurance Program (\$26,801,280 for the 2019-2020 biennium). By action of the Wyoming Small Employer Health Reinsurance Program Board and with the approval of the Wyoming Legislature, this program ended in April 2019. The Wyoming Health Insurance Pool budget includes \$4,412,348 in general fund monies for the 2019-2020 biennium.

The primary function of the Department is regulation of the insurance industry in the state of Wyoming. Emphasis is placed upon providing fair and consistent regulation of insurance in order to assure protection and information regarding insurance issues. This includes:

Consumer Assistance - providing assistance to consumers to assure that state laws are being followed regarding insurance claims and other areas of insurance in which consumers may request assistance.

Examination - conducting examinations of domestic insurers and pre-need funeral and cemetery trust funds to assure financial solvency and compliance with the Wyoming Insurance Code. The

Department also conducts examinations of producers (agents) to ensure compliance with the Wyoming Insurance Code.

Licensing - assuring that insurers, producers and others licensed by the Department meet the minimum standards contained in the Insurance Code.

Enforcement - taking enforcement action when necessary to ensure compliance with the Insurance Code.

Oversight - providing administrative oversight of insurance related programs. These programs include: the Wyoming Health Insurance Pool, the Wyoming Small Employer Health Reinsurance Program, the Wyoming State Health Insurance Information Program, the Wyoming Life and Health Insurance Guaranty Association, the Wyoming Insurance Guaranty Fund Association, the Employees' and Officials' Group Insurance Program, the Wyoming Health Benefit Plan Committee, the Wyoming Insurance Producer Continuing Education Program, and the Early Intervention Council.

Policy Form Review - reviewing policy forms and filings to assure that insurance companies are following state statutes and regulations before approving the forms and filings for use in the state of Wyoming.

Health Care Reform - providing information to insurers and consumers regarding the Affordable Care Act (ACA) and monitoring the effects of the federal law on the state of Wyoming.

Market Regulation - monitoring insurance company compliance with state laws and regulations designed to protect the insurance consumer and promote a healthy competitive market.

These activities promote a well-regulated insurance market which provides Wyoming citizens and their families with important protections through life, health, homeowner, auto and other types of insurance. It is vitally important that the Department maintains its accreditation from the National Association of Insurance Commissioners (NAIC). These activities benefit all Wyoming citizens in addition to the specific businesses and individuals served by the consumer, licensing, examination and regulatory functions of the Department.

The following performance measures are important to the Department's work.

Performance Measure 1 - Outreach

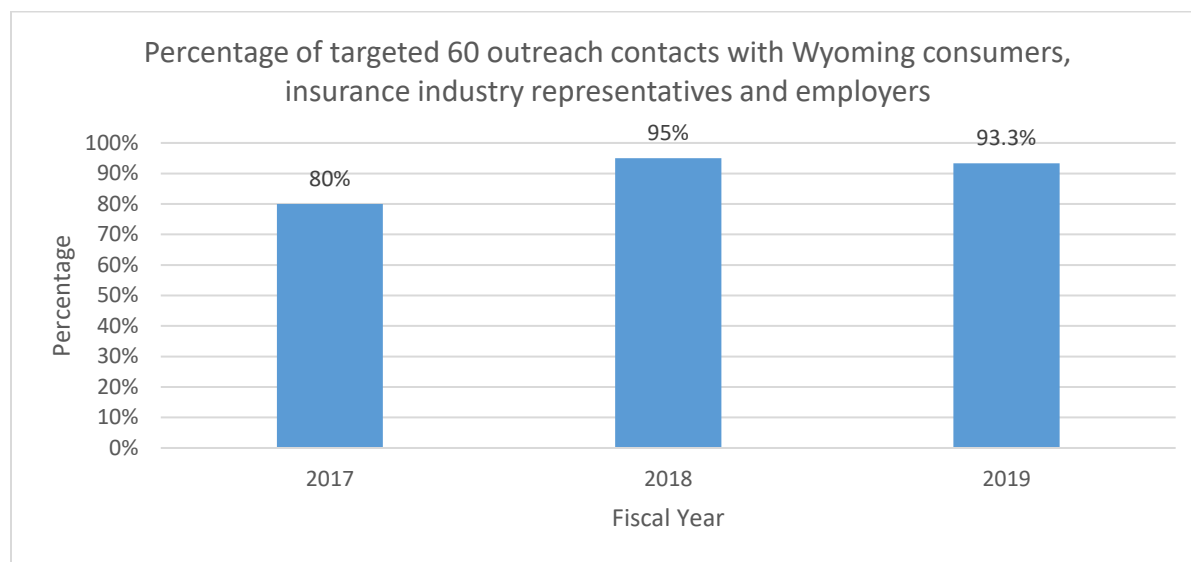
Story Behind the Performance

The Department believes outreach contact with Wyoming consumers, employers, and insurance industry representatives is very important. Insurance issues and concerns are increasingly complex and the Department has an important role in providing information. For example, since implementation of the Affordable Care Act (ACA), Wyoming citizens have expressed greater interest in educational information on health insurance in general, as well as ACA-specific

considerations. The Department also provides assistance to Wyoming consumers, employers, and industry representatives regarding other types of insurance. During the 2018-2020 strategic plan years, the Department exceeded its goal of 42 outreach events although it was especially difficult to meet the goal of employer outreach events. The Department has provided insurance information through publications, presentations, and electronic media. The Department will continue its practice of providing programs and training for consumers, employers, industry representatives, trade associations, and business groups.

Proposal for Improvement

The Department's goal is to increase its outreach contacts to 60 annually. We believe it is important to expand the outreach standard. In order to expand this goal and to continue the level of outreach to Wyoming citizens, the Department will combine its outreach numerical tabulations. Outreach will continue to be directed at Wyoming insurance consumers; insurance industry representatives; and large and small group employers. Over time, we have seen that these three interest areas are often in the same audience and the differentiation among the categories created a bit of artificiality. Outreach will be on a variety of insurance topics relevant to the particular group or audience, acknowledging that at times consumers, insurers, and employers might be within the same audience. Outreach will include presentations and materials for consumer groups, face-to-face consultation with individual consumers, press releases, live presentations to appropriate groups or public gatherings, website postings, distribution of educational and informational pamphlets and publications, public service announcements, and other innovative methods including electronic and social media. The Department will partner with other state agencies to conduct outreach. In addition, the Department will continue its communication plan with AARP on selected insurance topics.



Performance Measure 2 – Briefing Library

Story Behind the Performance

Throughout the year, the Department provides numerous presentations on a variety of insurance related topics to various groups including insurance companies, insurance producers, consumers and the legislature. As part of providing information to these various groups, the Department researches the relevant issues and prepares presentations and other written materials to assist in dissemination of the information. However, the Department does not have a method for cataloging or organizing the information presented to be able to efficiently retrieve it when it becomes relevant for subsequent presentations. Properly cataloged and organized presentation materials will make retrieval of the information more efficient and allow the entire Department of Insurance access to the briefing and underlying research. In addition, cataloging and organizing the information will provide increased efficiency by reducing the amount of time necessary to research and prepare subsequent presentations dealing with the same or related topics.

Proposal for Improvement

The Department will develop and implement a process in which each presentation prepared during the strategic plan year is cataloged and organized so as to make the information readily available. Once developed and implemented, the categorization and organization method used for current briefings will also be applied to presentations provided in prior years.

The Department's goal for this performance measure is to develop a written procedure to catalog and organize all presentations. During this evaluation period, the Department will strive to catalog and organize 100 percent of all presentations given in 2020 and 2021 within 30 days of the date of the presentation. In addition, the Department will begin identifying, cataloging, and organizing presentations given in prior years in reverse chronological order. The goal during this evaluation period for cataloging and organizing past presentations is to have 90 percent of all presentations during the last 5 years cataloged and organized pursuant to the written procedure by the end of this strategic plan.

Performance Measure 3 – Review of Forms

Story Behind the Performance

Insurance product “speed to market” has been slated by insurance regulators and industry representatives as one of the highest priorities of insurance departments. The Department has dedicated staff who review insurance contracts to ensure compliance with applicable state and federal laws. Many consumers either choose not to read their policies or cannot understand the legal complexities of their policies, therefore it is imperative the Department review all policies and filings for compliance in a timely manner. If the policy language does not conform to state law, a consumer is unlikely to know whether the policy complies with the law at the time a claim is filed and may not receive all the benefits to which the consumer is entitled under the law. It is also an important role of the Department to provide consumers with access to beneficial products at the earliest possible time.

In FY17, 38% of Property and Casualty filings were reviewed within 30 days, 57% of filings were reviewed within 30 days in FY18, and 84% for FY19. In FY17, 92% of Life and Health filings were reviewed within 30 days, and 49% of filings were reviewed within 30 days in FY18, and 81% within 30 days for FY19. In FY17 62% of all filings were reviewed in 30 days or less. For FY18, 54% of all filings were reviewed in 30 days or less and 83% for FY19.

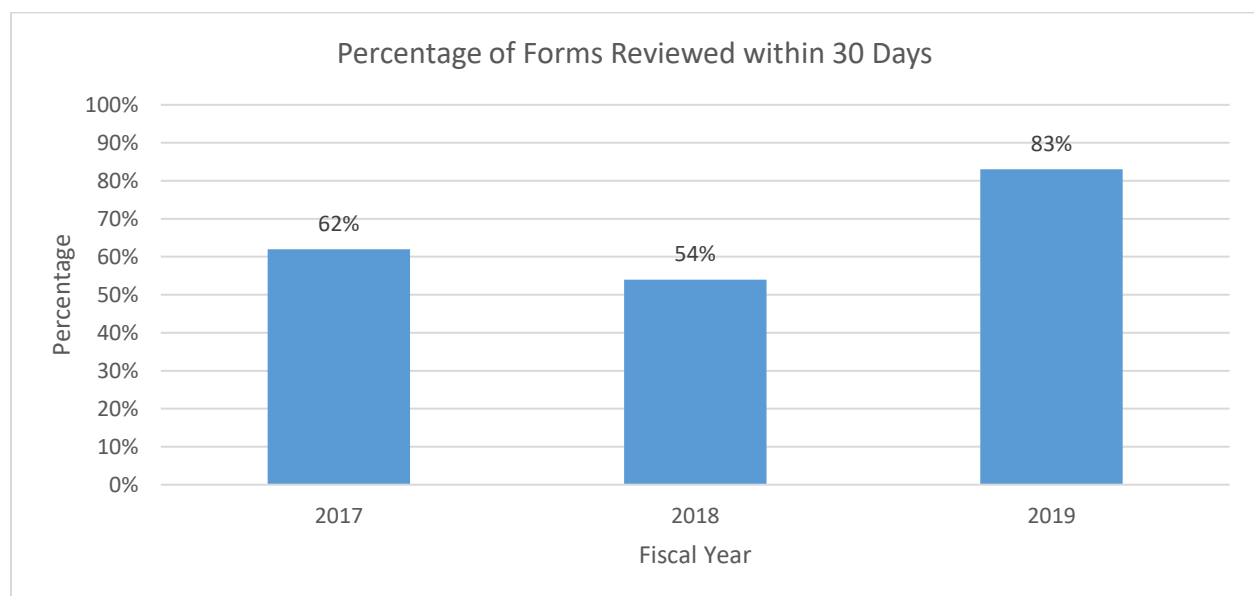
Proposal for Improvement

The Department is dedicated to maintaining the timeliness and quality of the reviews given to insurer filings of insurance products and applicable advertising and rating systems. While the filing and review process is an important element of consumer protection, it is incumbent upon the Department to react to insurer filings in a timely and expedient fashion. The historical percentages for past filing review do not take into account the filings where the Department objected to policy provisions not in compliance, and awaited insurer response. The timeframe for this response will be closely tracked and reflected in annual goal reporting.

The Department's goal is to ensure Insurance Standards Consultants will either approve or disapprove and close 75 percent of all rate and form filings within 30 days of receipt. (State statute requires that all policy forms be approved or disapproved within 45 days of receipt or the policy filing is deemed approved.)

If the policy filing is not in compliance with state statutes and regulations, the Department will object to the filing within the above stated goal. Once the objection is rectified, or responded to by the insurer, the Department will respond within the same 30 day timeframe as above.

Response times will be closely monitored and reviewed throughout the year to ensure compliance with the goal and will be tied to staff performance goals. Staff will continually update filing checklists to promote use by industry filers in order to streamline review and ensure no statutorily required provisions are missing.



Performance Measure 4 – Market Conduct

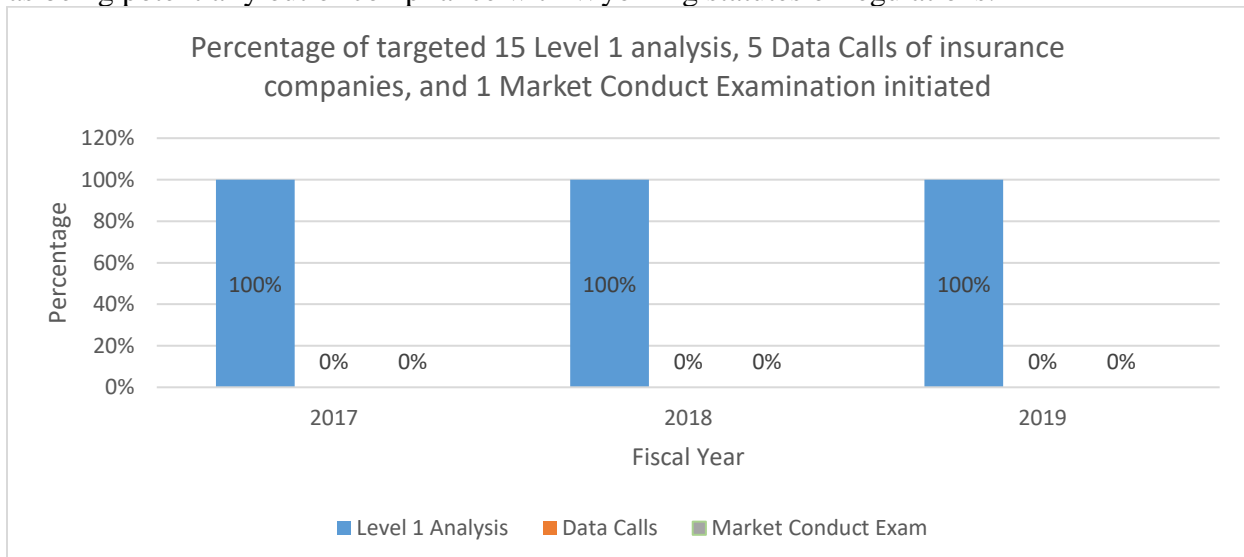
Story Behind the Performance

The purpose of the market conduct program is to assess the performance of an insurance marketplace as a whole and evaluate whether individual companies that make up that marketplace are in compliance with state regulations. If noncompliance is found, appropriate actions can then be taken to rectify the area of noncompliance. There are three basic mechanisms for gathering information to assess performance and compliance: Analysis of individual companies, surveys and periodic reporting requirements used to gather market conduct data and examinations and investigations of specific companies.

In 2016, the Department was granted an additional position to oversee the market conduct program. Since that time, the Department has established procedures and goals to analyze individual companies for compliance with state regulations. The department also has procedures in place to gather market data to analyze how an individual market is performing in the state. The second mechanism is to conduct data calls of an insurance company's records in order to review the company's performance history in the area of Sales & Marketing, Claims Handling, Underwriting, or Policyholder Services. The third mechanism for market conduct assessments is Examinations and Investigations. The department's goal for the 2021-2022 biennial year is to continue the first mechanism and begin conducting the second and third mechanisms.

Proposal for Improvement

The Department's goal for each of the years in the biennium consists of the three mechanisms for assessing insurance performance and compliance. First the Department will continue its goal of conducting fifteen (15) Market Conduct Level 1 analyses during the fiscal year. The second is to conduct five (5) data calls of insurance companies in order to determine compliance or non-compliance with Wyoming statutes and Regulations. The third is to initiate a market conduct exam of an insurer in Wyoming that may have been identified through analysis or other source as being potentially out of compliance with Wyoming statutes or regulations.



Budget

The Department should be able to improve its performance under this strategic plan without asking for any significant increase in funding. The Department will rely on the current budget level to fund the changes necessary to carry out this strategic plan, with the exception of asking for \$32,254 to replace computer hardware and update software on a regular rotation over the next biennium. Maintaining appropriate and up-to-date computer hardware and software assists the Department in achieving the proposals for improvement set forth in this strategic plan.